

METHOD AND SYSTEM FOR AUTOMATIC CONTRACT RECONCILIATION IN A
MULTILATERAL ENVIRONMENT

5 ABSTRACT OF THE INVENTION

A method and system for reconciling contracts in a multilateral environment. The multilateral environment includes two or more trading partners trading goods and services. The system is based on a hub and spoke architecture. The hub presents to each of the partners using a partner system a user interface for receiving a contract. The contract 10 when received is parsed into requested tags. Each requested tag represents a predefined field in a contract such as price, quantity, delivery date and other contractual terms. These requested tags are placed into a database schema using a naming structure that is identical to the naming structure used for the requested tag values so that elements in the database schema can be populated directly from the requested tag values. Each partner in the value chain, which supplies a good and service for the contract, forms a hierarchical contractual relationship. Contract tag values are retrieved for each trading partner in the hierarchical contractual relationship. The contract tag values are analyzed for compliance 15 with the requested tag values to determine if the requested tag values are in compliance with the contract tag values bases on one or more predefined rules. Each partner in the hierarchical contract relationship places predefined rules in the system. The contract reconciliation process continues until all the contract tag values and the requested tag values satisfy the predetermined rules.